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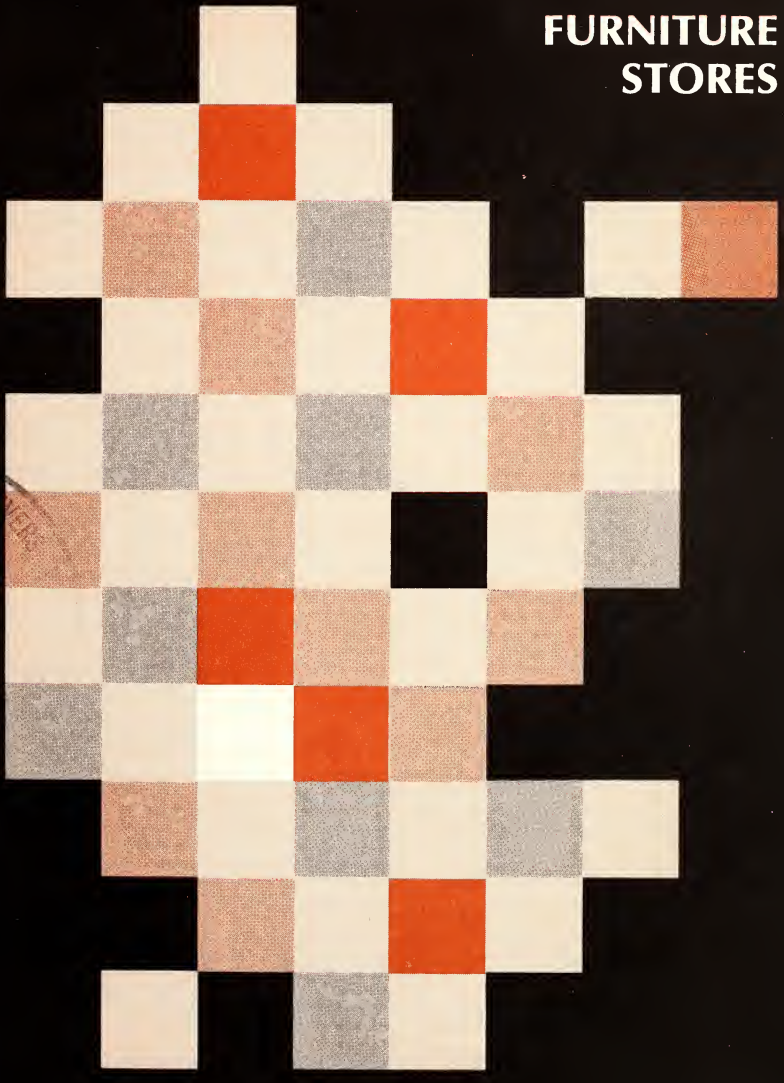
URBAN BUSINESS PROFILE

FURNITURE STORES



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Economic Development Administration

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URBAN BUSINESS PROFILE

FURNITURE STORES

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ECONOMIC DEVELOPMENT ADMINISTRATION
in cooperation with
OFFICE OF MINORITY BUSINESS ENTERPRISE

U. S. DEPARTMENT OF COMMERCE
Washington, D.C. 20230

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FOREWORD

As part of a continuing program to provide encouragement and assistance to small business ventures, the U.S. Department of Commerce is issuing a series of Urban Business Profiles.

It is hoped that these reports will serve as a meaningful vehicle to introduce the prospective small urban entrepreneur to selected urban-oriented businesses. More specifically, a judicious use of these profiles could: provide a potential businessman with a better understanding of the opportunities, requirements, and problems associated with particular businesses; provide guidelines on types of information required for location-specific feasibility studies; assist urban development groups in their business creation activities.

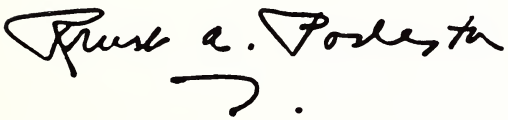

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Table of Contents

Page

I. Recommendation 1

II. Description 1

A. Identification 1

B. Dimensions 2

C. Characteristics 2

The Product and the Customer — Operations — Competition — Ease of Entry — Capital Requirements — Profitability — Dependence on Outside Factors

III. Feasibility Analysis 8

A. Key Factors 8

Management—Capital—Market Location—Floor Space — Salesmanship — Customer Relations — Credit

B. Problems and Potentials for Minority Ventures 9

C. Projections 10

Small Store — Moderate-sized Store

IV. Establishing the New Business 11

A. Establishing the Market 11

B. Determining Size of Operation 12

C. Getting All the Facts 13

D. Securing Capital 14

E. Starting Operations 14

V. Summary 15

APPENDIX — BIBLIOGRAPHY/TRADE ASSOCIATION

OFFICE OF MINORITY BUSINESS ENTERPRISE (OMBE) AFFILIATES

URBAN BUSINESS PROFILES

URBAN BUSINESS PROFILE

Furniture Stores

(SIC 5712)

I. RECOMMENDATION

Sustained market demand in the furniture industry offers attractive opportunities for new business development in the furniture retail field. With rising incomes, increasing population, and new housing predicted for the 1970's, furniture store sales are expected to rise throughout the decade.

Key determinants of profitability in the business include the ability to select styles and lines which appeal to customers, ample floor space to display merchandise, adequate storage for inventory, a good sales force, and access to a line of credit with which to finance purchases on relatively favorable terms. Managers must also give close attention to control of key elements of cost, such as inventory, advertising, wages and rent. Undercapitalization and shrinkage of working capital are major causes of failure.

There are many sources of information and help in furniture retailing. Organizations such as the National Home Furnishings Association provide members with assistance in store layout, advertising, sales training, and cost control. There are also many professional buying organizations which can help in the selection of proper merchandise. Thus, an individual who has a flare for retailing, management skills, and a fundamental knowledge of interior decoration should be able to establish and operate a furniture store successfully, provided he has picked his location carefully and is properly financed.

II. DESCRIPTION

A. Identification

Furniture stores Standard Industrial Classification (SIC) 5712 are described as establishments primarily engaged in the retail sale of household furniture. Many such stores also sell floor coverings,

major appliances, and such home furnishings as lamps, draperies, decorative art objects, and mirrors. Types of furniture sold include upholstered furniture such as chairs and sofas, wood pieces, bedding, dining room pieces, dinettes, children's furniture, and the like.

B. Dimensions

There are presently about 27,000 furniture stores in the United States and, in addition, a great number of department and discount stores which handle furniture as part of their product line. The industry is a major factor in the economy, with 1967 retail sales amounting to about $6.5 billion and a 1967 payroll of $231 million for the 180,000 furniture retail employees.

Industry sales are expected to rise to $9 billion by 1975, reflecting growing income, increasing use of credit (making possible the financing of additional furniture purchases), and construction of new housing. The family formations which will occur as the members of the baby boom of the early 1950's reach adulthood are expected to bolster furniture demand for much of the decade.

The furniture retail industry is still characterized primarily by the small retailer. About three out of every four stores had fewer than eight employees in 1967, and 94 percent of the stores had fewer than 20 employees. The predominance of the small store is also reflected in sales figures; one out of every five stores does more than $100,000 of business annually and only one out of 20 stores has sales exceeding $500,000 per year.

The trend in the industry, nevertheless, is towards larger stores. Especially in urban areas with adequate markets, furniture stores are expanding product lines so as to better service the total furniture needs of the more affluent customers. This trend can be inferred from the fact that, though the total number of stores has not changed significantly in recent years, the total number of employees has grown considerably.

C. Characteristics

1. The Product and the Customer

A complete furniture store will display and sell living room furniture, including sofas, chairs, recliners, convertibles, credenzas and tables; bedroom furniture, including beds, mattresses, and springs, dressers, and night tables; dining room furniture, including tables, chairs, buffets, and serving tables; dinettes, floor coverings, children's furniture, major appliances, decorative art objects, mirrors, clocks, porch and outdoor furniture, odd chairs, hassocks, desks, card tables, bars, and lamps.

A furniture store sells a way of living and life style to its customers. Most homemakers have great aspirations for fixing up their homes to their hearts' desires. Their homes are not only to be used, but to be displayed. Women take pride in their homes and like to show them to others. To many families, a home symbolizes success and "the good life."

The homemaker usually has plans for a change or for improvement. Items to be purchased are seldom bought on impulse, but are thought about carefully and discussed in the home and with friends. Almost two-thirds of all purchases are made to replace items already owned. Convenience in shopping is a relatively minor factor. Families will make a furniture purchase in the store where they feel they will get the most value in appearance and style for the amount of money they have available.

Most purchases of furniture involve a relatively large commitment of the family funds, and two-thirds of all purchases are made by a husband and wife buying together. Credit is generally involved in the purchase. Many stores finance credit sales themselves and make an additional profit thereby. Others "sell" a portion of their installment "paper" to financial institutions.

The salesman is important to the furniture buyer. She asks his advice on color, texture, groupings. She is often unsure of how a particular piece will fit into her grouping, and she will seek confidence from the salesman that her choice is a good one. A furniture retailer who has sold customers quality merchandise in the past can often depend on his customers returning, particularly if the relationship is maintained on a satisfactory basis while the installment payments are being made.

Almost half of all families in the United States earning over $4,000 annually will make at least one purchase of an item of furniture (including mattresses/bedsprings and floor coverings) a year. About one out of every 10 customers is under 25 years of age, and about 15 percent of the customers are over 55. Well over half of the customers are in the prime 25 to 44 year age bracket. Forty percent of the customers will own their own homes. Eighty-six percent of the purchases will be for homes and the balance for apartment units, although with the rising number of apartment units being built, this ratio should change in the coming years. It should also be kept in mind that these percentages are on a national basis and could be expected to vary in specific areas.

Most customers learn about a store from discussions with family and friends, window shopping, or advertising. Many get specific ideas from furniture ads in magazines, from magazine articles, or from seeing furnishings in other homes.

Most customers do not buy by brand name, and many are unable to quote a brand name. The main reasons for selecting a particular store are store reputation, price, and assortment. Store reputation counts most heavily among shoppers in specialized furniture stores, while price is a more important factor among chain department store shoppers. The average sale in the furniture industry is about $160.

2. Operations

The successful furniture retailer should have these attributes:

a. *Taste and Skill in Selecting and Displaying Merchandise.* The ultimate determinant of whether or not a sale is made is whether the customer is attracted to the product. The owner/manager must see to it that his merchandise will appeal to his market and that it is displayed in a way which will induce his customers to want the merchandise for their homes.

b. *Good Salesmanship.* Retailing is basically selling. An order-taker will not do for a furniture store. The salesman must know his merchandise and how to sell.

c. *Ability To Learn and Keep Abreast of Changes.* The successful furniture retailer must be willing and able to learn from published material on the industry and successful practices in retailing, and he must be sensitive to changes in style and taste.

d. *Hard Work and Attention to Detail.* There are many things which can go wrong in retailing. Deliveries aren't made on time. Credit accounts are not handled properly. Merchandise is damaged. Inventory is shrinking without explanation. Displays need to be changed. Overstock needs to be reduced. Advertising decisions are required. Special promotions are needed. The owner of a retail store must be alert to all these matters. He must watch his cost ratios. He must pay his bills and collect his outstanding accounts. He will have to work long hours and at least 6 days a week.

e. *Ability To Understand and Make Decisions on the Basis of Figures.* A successful merchant must be sensitive to his books and accounts so that he can determine the actions which make money for him and those which are losing propositions. Basically, these decisions can be made on the basis of an analysis of his sales and costs. But the individual who does not easily understand accounts and numbers may find it difficult to understand what is happening to his business.

A good sales force is essential to successful operation of a furniture store. This requires continuous training. A good salesman will like to work with customers and will be appropriately patient while the homemaker ponders her decision. The salesman must know his products thoroughly; he must know the essentials of interior decoration, such as color, texture, form, arrangements, and space requirements; and he must know how to communicate this knowledge to the customer in a helpful and constructive manner which leads to a sale.

There are different arrangements for compensation. Some stores have a commission arrangement for salesmen; others have a straight salary; and others have a combination. Salaries vary considerably from place to place and depend a good deal upon the experience of the salesman. Thus an inexperienced salesperson in a relatively low-wage area might receive $80 to $90 per week, while a topflight experienced salesperson with interior decorating skills in a higher wage area might receive as much as $12,000 to $14,000 annually.

3. Competition

Furniture stores not only compete among themselves, but they also compete with appliance stores, stores specializing in floor coverings, department stores, chain department stores, discount chains, and specialty stores selling homefurnishings of various kinds.

Within inner cities, there is also competition from stores offering purported bargains at inflated prices and high credit rates. These stores may advertise special bargains as an inducement to bring shoppers into the store, but the salesman is generally skillful at steering the shoppers away from the so-called bargain. In many instances, stores of this type sell and resell repossessed merchandise, making their profit on a continuing series of downpayments. Fortunately, this type of operation is gradually being phased out with the increasing knowledge of the inner-city consumer and more stringent controls by authorities.

Highly effective and ethical price competition will be faced from the large chain department stores and mail-order houses. These establishments generally feature relatively high quality merchandise at economy prices. In recent years, they have improved their styling, as well. The furniture retailer must compete with these stores, as he would with department stores and with other furniture retailers, by offering value, style, and efficient service. Maintaining contact with present customers is important, and effective advertising can also be useful in bringing potential customers into a store.

The amount and variety of merchandise displayed by a furniture retailer is important in meeting competition. The opportunity to see a wide variety of furnishings will bring the shopper into the store, and the more choices that can be seen, the greater the possibility that the shopper will find something she likes. Thus, there is a trend toward greater and greater floor space on the part of the independent furniture retailer.

4. Ease of Entry

The individual who has the attributes and skills for success in furniture retailing must nevertheless find the right location and sufficient capital before he can enter the industry.

The right location is a place that will provide the retailer with ample floorspace at a reasonable price in a market which is growing and not overly saturated with competition. The location must also provide parking space if it is in a suburban area. If it is in the inner city, it must be reasonably accessible to the potential market. Before selecting a location, a careful market survey should be made to determine if there is sufficient business to justify the selection.

A new entrant, who is properly capitalized and who knows his business, should not be frightened away from establishing a furniture store simply because there is considerable competition already in the area. Unless he is prepared to hold his own in competition with other retailers and the chains, he should not enter the business. Even if competition is relatively scarce at a particular time, he can always expect newcomers or branch outlets of existing firms.

A major factor affecting ease of entry will be the ability to secure sufficient capital for inventory and to finance credit purchases.

5. Capital Requirements

Capital requirements are usually considerable for a furniture retailer. Capital is required for store inventory and supplies, warehouse backup inventory, fixtures and equipment, decorating and carpeting, and installment accounts. Inventory and leasehold improvements for the average independent full-stock furniture store require an investment of about $5 a square foot, or $50,000 for a 10,000-square-foot store doing an annual volume of about $250,000. A store doing this amount of business would need about $100,000 to $150,000 to finance installment sales, of which perhaps 20 percent would be required as an investment by the store itself, with the balance of the

debt sold to a financing institution. This would require a total investment in the neighborhood of $75,000 for a store doing $250,000 worth of business annually.

There is very little trade credit available for this type of investment. Most suppliers require 30- to 60-day payment or faster, particularly for a new entrant in a field where failures are frequent. Some bank financing may be available, although the bank would require additional security, probably in the form of personal guarantees and assignment of personal property and/or a Small Business Administration guarantee.

6. *Profitability*

In 1966, at the height of an expansionary period, retail furniture stores ranked fourth in rate of failure among 23 types of retail establishments studied by Dun & Bradstreet. However, for those establishments which do succeed, profitability is generally good. In 1969, a relatively average year, profits before taxes averaged about 5 to 6 percent of sales for all sizes of stores.

Gross margin within the industry on sales runs to about 40 percent, with many firms earning an additional 4 to 6 percent on credit operations. However, those firms which sell their installment paper do not earn this extra amount.

7. *Dependence on Outside Factors*

Besides replacement sales and increases in consumer income, the retail furniture business is dependent upon growth in population, new family formations, and new housing. The long term trends in all these factors are up.

This business is affected by seasonality. Summer is generally slack as are the months of January and February. Most business is accounted for in the last 4 months of the year. Therefore, seasonal factors must be accounted for in normal planning.

Business cycles also affect furniture sales, but these cyclical factors are not as easily planned for. Home furnishing purchases are postponed when people are earning less and boom when pent-up demand is released. Thus it would be wise to postpone new entry into the industry at a time when consumers are worried and holding back on expenditures which can be postponed. Experienced store owners generally try to improve their financial strength during prosperous times in order to withstand recessionary periods.

III. FEASIBILITY ANALYSIS

A. Key Factors

The following are the principal factors which affect performance in retail furniture stores:

1. Management

Management must be alert to customer satisfaction and taste and must take care of all the details of a successful retailing operation, including sales training, credit management, advertising, stock control, display, control of pilferage, cost control, and so on.

2. Capital

Adequate capital is essential for investment in floor displays and ability to offer installment credit.

3. Market Location

The proposed establishment should be situated to serve a growing market, preferably one where consumer disposable income is growing and where new housing is being constructed. While specific location within such a market is not crucial, the store should be situated where it is convenient to and easily noticed by consumers.

4. Floorspace

The volume of business that can be done is closely related to the amount of floorspace available. Newer establishments try to operate from a single floor, but multifloor stores can be successful. A variety of tasteful displays will attract potential customers to the store and provide increased opportunities for salesmen to be successful.

5. Salesmanship

All aspects of salesmanship are important. This includes the possession of a well-trained, capable sales staff, the use of good advertising, and the preparation of good displays.

6. Customer Relations

Established customers are a source of repeat business, and installment payments provide a way to maintain relationships with these customers. Customers must have confidence in the store's integrity. The store must keep up to date on customers' style preferences.

7. Credit

The store must provide for installment credit for purchasers.

B. Problems and Potentials for Minority Ventures

1. Problems

New ventures into retail furniture are apt to run into problems from unethical competitors, legitimate price competition from the large department chains and discount houses, inadequate capital, and unsuitable locations.

Unethical competition can come from the unscrupulous ghetto retailer who preys on unsuspecting customers with overpriced shoddy merchandise, "bait" advertising, and quick repossessions. Fast-talking salesmen and apparent "easy credit" often dupe unsuspecting consumers into unwise purchases.

To the extent that a minority furniture retailer will be looking to the minority community for his prime market, he will be faced with serious competition from the department store chains and discount houses. Minority community shoppers usually have lower than average disposable incomes and are less able to afford more expensive furniture lines. Thus, they have a greater tendency to purchase the economical, budget-priced furniture of the department chains and discount stores.

Minority entrepreneurs have traditionally experienced difficulty securing adequate capital for their ventures, and without adequate financial resources, entry into the retail furniture business should be dismissed as a possibility for a minority entrepreneur. The average time it takes to receive goods from a supplier is 6 to 12 weeks. If a dealer has only a small credit line, his order will not be processed until the line is paid off or brought down to his credit limits. Small dealers without adequate capital are often forced to buy from suppliers whose furniture lines do not provide as much value as those who are more successful and more stringent on credit.

An undercapitalized furniture retailer will not be able to stock sufficient inventory to attract the more affluent customer. He will not be able to deliver merchandise to customers as rapidly as some of his competitors and will lose many sales for this reason. He will have difficulty securing financing for his installment sales, and he will lose customers to more securely financed operations. His equipment and fixtures will deteriorate more readily and detract from the overall appearance of his store. He may not be able to advertise competitively.

The entrepreneur who seeks to serve the inner-city minority market may find it difficult to secure adequate space in a suitable location. Many downtown shopping areas have become seedy and do

not provide an appropriate atmosphere for the purchase of home furnishings. Moreover, problems of fire insurance and crime are magnified in a downtown location.

For all these reasons, minority entrepreneurs have not made a significant penetration into the retail furniture industry. In an industry which has over 27,000 establishments, there are less than 100 which are owned by minority entrepreneurs or less than one-half of 1 percent. Only one black-owned furniture store does an annual gross of over $1 million and most do under $200,000 of business annually.

2. Potentials

There is an awakening self-consciousness among minority consumers that could lead to consumer preference toward minority entrepreneurs. Thus, a furniture store offering good value and located within a minority community might be preferred by many minority homemakers over a chain department store, or a large suburban-oriented independent furniture retailer.

Recent improvements in financial packages available for minority entrepreneurs may also improve the potential for a minority business. Various civic groups have been organized in many cities to help minority entrepreneurs, and these may be able to assist the potential new businessman by helping him to do his advance planning and to secure necessary lines of credit. Special sources of capital and business planning assistance are available to businesses in many cities, and these may help an entrepreneur overcome the handicaps of inadequate capitalization. New minority-owned banks are becoming more capable of financing consumer installments and providing lines of credit for retailers.

C. Projections

The following figures represent financial projections which are typical for many furniture retailers. Individual stores may vary widely from these percentages, and each individual situation should be studied carefully on the basis of its own conditions. Two potential situations are projected: one, a smaller store with a volume approximating $200,000 annually; and the other, a moderate-sized store with a volume of about $600,000.

	Situation 1		Situation 2	
	Amount	Percent	Amount	Percent
Gross sales	$208,000	104	$636,000	106
Returns and allowances	8,000	4	36,000	6
Annual volume	200,000	100	600,000	100
Cost of merchandise	120,000	60	348,000	58
Gross margin	80,000	40	252,000	42
Income from credit operations	6,000	3	24,000	4
Operating expenses (total)	70,000	35	240,000	40
Net profit from operations	16,000	8	36,000	6
Deductions from income (interest, bad debts, etc.)	6,000	3	12,000	2
Net profit before taxes	10,000	5	24,000	4
Typical investment	75,000		200,000	
Return on investment		13.3		12

Profits and return on investment from furniture stores vary much more among stores within a certain size range than they do among the averages of different size ranges. This suggests that size, itself, is not a dominant factor in profitability. Other factors such as management, reputation, and location are much more important.

The following are some key indicators for the two sizes of stores:

	Situation 1	Situation 2
Installment sales as a percentage of total sales	84%	80%
Installment accounts receivable as a percentage of installment sales	63%	58%
Bad debts charged off on installment accounts as a percentage of installment sales	1%	1%
Amount of average sale	$140	$180
Dollar sales per square foot of selling space	$ 28	$ 32
Sales per employee	$34,000	$35,000
Sales per salesman	$100,000	$128,000
Sales per handling and delivery employee	$105,000	$107,000
Ratio of assets to liabilities	2.6X	3.0X
Net sales per $ of net worth	$ 1.90	$ 2.00

IV. ESTABLISHING THE NEW BUSINESS

A. Establishing the Market

The first step in starting a new furniture store is to determine the market which the store is intended to serve. The prospective entrepreneur must identify the general type of consumer he proposes to cater to. For example, he may wish to locate in the inner city and make his appeal largely to inner-city minority residents; or he may wish to take a location which is on the fringes so that he can cater

not only to the inner-city population, but to some suburban population or inner-city residents moving to the fringes of the city. He may wish to cater to young marrieds starting out in small apartments or he may desire to sell more to established homemakers and residents of single family homes.

Whatever the decision, it will affect where the new store is to be located, how large it should be, what its total market is, and what kind of furniture lines it should carry from the standpoint of both styles and price. For example, young marrieds may want the more modern styles with vivid colors and economical prices; more mature families may prefer Early American and may be willing to pay higher prices for more substantial furniture.

When the character of the market is determined, the entrepreneur should determine its potential size. There are various local statistics available which can be used to clarify how many people with certain characteristics live within shopping range of various potential locations, how much they spend annually on furniture, how their incomes are changing, and the like. Market data may be available from local chambers of commerce, planning commissions, or councils of government. The feasibility of a new store may be glimpsed in the following way. Visit the furniture stores in the same shopping area, as well as the department stores. Determine what types of customers they try to serve. Make a list of each one and estimate how much floorspace each has. Using estimates of sales per square foot, either locally used or industrywide (about $30 of sales per square foot), estimates can be made of total sales volume for each competitor. These can be compared to the estimated total furniture purchases for the market, providing insights into the volume which might be achievable in the store being planned. For example, if the estimated sales volume of all stores based upon square footage is considerably more than the total estimated purchases in the market area, it is likely that the market is oversaturated with furniture stores.

The general procedure to be followed in selecting a store location begins with the identification of several potential locations where space is known to be available, the computation of the number of potential customers within the shopping area of each location, and the determination of the amount of annual expenditures on furniture that each will make. An analysis of competition in each area will suggest where underserved markets exist.

B. Determining Size of Operation

The size of the proposed business will be determined by the size of the market, the amount of competition which can be expected,

the available capital resources, and the amount of experience of the proposed management. These should be carefully weighed against each other. For instance, even though a large market is anticipated, the proposed store should not be larger than the capital resources which the individual has available to support it. Moreover, if the proposed entrepreneur is somewhat inexperienced, he may be wiser to make his mistakes learning the business in a smaller operation that is more securely financed, than in a larger operation in a precarious financial position.

C. Getting All the Facts

The prospective new entrepreneur should collect all necessary information supporting his business plan prior to his presentation to potential sources of capital. Here are some of the items which should be contained in this analysis:

- Address of proposed location or possible locations
- Landlord's name
- Total building area
- Amount of sales space on each floor
- Amount of office space
- Amount of warehouse space needed
- Parking spaces
- Term of lease required and options to renew
- Annual rent
  - Minimum
  - Percentage of sales
- Amount of rent in advance
- Estimated sales
  - First year
  - Third year
- Cost of occupancy—first year and third year
  - Annual minimum rent
  - Other costs of insurance, taxes, maintenance payable by tenant
  - Other costs of occupancy—water, heat, power, etc.
  - Total occupancy costs
  - Percentage of sales
- Investment required
  - Store inventory and supplies
  - Warehouse inventory
  - Fixtures and equipment
  - Decorating and carpeting
  - Installment accounts less amount to be financed
  - Other receivables
- Operating data
  - Estimated sales
  - Credit service charges
  - Gross profit
  - Selling payroll
  - Other payroll
  - Fringe benefits
  - Store occupancy costs
  - Advertising
  - Delivery expense
  - Warehouse costs
  - Accounting, credit, and administrative costs
  - Operating profit
  - Interest costs
  - Net profit
  - Return on investment (percentage of profit to investment)

D. Securing Capital

A number of cities have organizations which specialize in assisting minority entrepreneurs to secure capital. A prospective entrepreneur should seek out these sources and go over his plans with them.

The local Small Business Administration office or OMBE affiliate may help to put the prospective entrepreneur in touch with sources of capital and to provide the names of banks which have made minority loans. Minority-owned banks may also provide capital.

The Small Business Administration can also be helpful with a lease guarantee. Many landlords are unwilling to lease to an inexperienced and new businessman, because they have no recourse in the event the business fails. The SBA has a program to reassure such landlords by insuring the lease of the small businessman.

E. Starting Operations

The new businessman should seek experienced help in completing negotiations with the landlord. There are a number of variables to the standard lease which many real estate organizations are willing to grant but which are not offered if the tenant does not ask for them. An experienced businessman or lease negotiator can be useful during these negotiations. Help should be requested from a local organization specializing in assisting minority entrepreneurs.

Unless the prospective entrepreneur is very experienced in the trade, he should investigate affiliation with an established buying office. Such an office is worth its cost in advising the businessman on lines to carry and in taking the time to visit the various furniture markets to be on the lookout for good buys. A buying office cannot substitute for the businessman's own knowledge of his customers and their taste, but it can be a valuable and profitable supplementary service, particularly to the small furniture retailer who cannot take the time and expense to visit all the markets.

Every effort should be made to have attractive displays of furniture ready for the opening. There are many articles and books on display and layout, and these should be studied carefully and the recommendations should be adapted to the particular store. It is more important to spend original capital on display inventory, fixtures, and proper displays than on warehouse inventory. In most cases, customers are willing to wait several weeks for merchandise, and shipments from the factory can generally be secured in ample time. Warehouse inventory should be used for special purchases and fast sellers.

If the sales force is inexperienced, careful time and attention should be paid to their training. If the entrepreneur himself has nei-

ther the time nor the ability to give this training, outside help should be secured. It is essential that the sales staff be first rate.

The businessman should spend considerable time and money planning for the opening. Special values should be featured. Even special gifts or prizes should be purchased and given to persons coming into the store during the opening days. Advertising which is appropriate to the size of the store and the investment available should be prepared and used. Advertising is extremely important in bringing customers to the store.

V. SUMMARY

Although it is a difficult business, demanding long hours and constant supervision, furniture retailing does offer the individual with an interest in furniture and a talent for selling an opportunity to enter a business which has growth and profit potential. Moreover, to the extent that minority homemakers can be persuaded to give shopping preference to stores which are owned by members of the same minority and located in the same community, such stores would have a competitive advantage to offset traditional disadvantages associated with inadequate capital resources and limited experience in business management.

In summary, sound management, a trained sales force, and adequate financial resources are keys to success in furniture retailing.

APPENDIX

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Note: Small Business Bibliography No. 48, referred to above, contains a list of additional bibliographies of government and nongovernment publications which would be of use to a prospective furniture retailer. A list of trade journals and trade associations is also furnished.

TRADE ASSOCIATION

The principal trade association for the retail furniture owner is the National Home Furnishings Association (NHFA) (formerly the National Retail Furniture Association), 1150 Merchandise Mart, Chicago, Illinois 60654. The NHFA provides detailed confidential services to members on trends in the industry, promotion and advertising, store planning, operating experiences, and other special subjects of interest to the retailer.

The association offers management services, including an inventory control system, a recruitment and selection service, successful techniques for selling, and successful operating techniques. The association also holds continuing sales education and management workshops, represents the industry in Washington, and offers members low-cost group life insurance.

OFFICE OF MINORITY BUSINESS ENTERPRISE (OMBE) AFFILIATE ORGANIZATIONS

Albuquerque

National Economic Development Association (NEDA)
1801 Lomas, N. W.
Albuquerque, N. M. 87104
508/843-2386
Victor M. Casaus,
Regional Vice President

Atlanta

Atlanta Business League (NBL)
329 Walker Street, S. W.
Atlanta, Georgia 30314
404/524-5449
Franklin F. O'Neal, Executive Director
Wendell White (OMBE Representative)
404/526-6304

Baltimore

Morgan State College Minority Business Enterprise Project
2108 North Charles Street
Baltimore, Maryland 21218
301/685-0610
Ralph J. Ross, Executive Director

Boston

The Roxbury Small Business Development Center
126 Warren Street
Roxbury, Massachusetts 02119
Bernard Wiley—Acting Executive Director
617/427-6333
Frank Bispham (OMBE Representative)
617/223-2381

Chicago

Chicago Economic Development Corporation (CEDC)
162 North State Street, Suite 600
Chicago, Illinois 60601
231/368-0011
Garland Guice, Executive Director
Bennett Johnson, Jr. (OMBE Representative)
312/353-4460

NEDA
537 Dearborn South
Chicago, Illinois 60605
312/939-2607
Gilbert M. Vega,
Regional Vice President

Cincinnati

Determined Young Men
3880 Reading Road
Cincinnati, Ohio 45229
513/221-0180
Merven Stenson, Executive Director

Cleveland

Greater Cleveland Growth Corporation
690 Union Commerce Building
Cleveland, Ohio 44115
216/241-4313
Melvin Roebuck, Executive Director

Minority Economic Developers Council (MEDCO)
10518 Superior Avenue
Cleveland, Ohio 44106
Armond L. Robinson, Administrator

Dallas

Dallas Alliance for Minority Enterprise (DAME)
7200 North Stemmons Freeway
Suite 1006, UCC Tower
Dallas, Texas 75222
214/637-5170
Walter Durham, Executive Director

Denver

Colorado Economic Development Association (CEDA)
1721 Lawrence Street
Denver, Colorado 80202
303/255-0421
Edward Lucero, Executive Director

Detroit

Inner City Business Improvement Forum (ICBIF)
6072 - 14th Street
Detroit, Michigan 48208
313/361-5150
Walter McMurtry, President

El Paso

NEDA
First National Building
Suite 10B
109 North Oregon Street
El Paso, Texas 79901
915/533-7423
Jose Manuel Villalobos, Regional Vice President

Indianapolis

Indianapolis Urban League
445 North Pennsylvania Street
Indianapolis, Indiana 46204
317/639-5391 or 253-5418
Sam Jones, Executive Director

Kansas City

Black Economic Union (BEU)
2502 Prospect
Kansas City, Missouri 64127
816/924-6181
Curtis McClinton, President

NEDA
703 North 8th Street
Kansas City, Kansas 66100
913/342-6663
Richardo Villalobos, Regional Vice President

Los Angeles

South Central Improvement Action Committee (IMPAC)
8557 South Broadway
Los Angeles, California 90003
213/751-1155
Louis Wilson, Director

The East Los Angeles Community Union (TELACU)
1330 South Atlantic Boulevard
Los Angeles, California 90022
213/268-6745
Claude Martinez, Director of Development

NEDA
5218 East Beverly Boulevard
Los Angeles, California 90022
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Jack Wilburn, Coordinator
213/824-7691
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213/824-7715
Joseph Luna (OMBE Representative)
213/824-7715

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Memphis Business League (NBL)
384 E. H. Crump Boulevard
Memphis, Tennessee 39126
901/574-3213
Leonard J. Small, Sr., Project Director
Harold Jones (OMBE Representative)
901/534-3216

Miami

NEDA
8551 Coral Way
Suite 307
Miami, Florida 33155
305/221-5531
Dr. Antonio Machado, Regional Vice President

Newark

MEDIC Enterprises, Inc.
287 Washington Street
Newark, New Jersey 07102
201/642-8054

New Haven

Greater New Haven Business and Professional Men's Association
226 Dixwell Avenue
New Haven, Connecticut 06511
Gerald S. Clark, Executive Director
203/562-3819

New York

Puerto Rican Forum, Inc.
156 Fifth Avenue
New York, New York 10010
212/691-4150
Hector I. Vasquez, Executive Director

New York (continued)

Capital Formation, Inc.
215 W. 125th Street, Room 313
New York, New York 10027
Hirom C. Cintron, Director, Harlem Office
212/222-9650

Brooklyn Local Economic Development Corporation (BLEDCO)
1519 Fulton Street
Brooklyn, New York 11216
212/493-1663
Preston Lambert, Executive Director

NEDA
19 West 44th Street
Room 407
New York, New York 10036
212/687-1128
David J. Burgos,
Regional Vice President

Philadelphia

Entrepreneurial Development Training Center
1501 North Broad Street
Philadelphia, Pennsylvania
215/763-3300
Alphonso Jackson, Director

Phoenix

NEDA
Amerco Towers
2721 North Central
Suite 727 South
Phoenix, Arizona 85004
602/263-8070
Joseph Sotelo,
Regional Vice President

Pittsburgh

Business & Job Development Corporation (BJDC)
7800 Susquehanna Street
Pittsburgh, Pennsylvania 15208
412/243-5600
Forrest L. Parr, President
Marian Diggs (OMBE Representative)
412/644-5529

Richmond

National Business League
700 North Second Street
Richmond, Virginia 23219
703/649-7473
Allen Roots, Acting Project Director

San Antonio

NEDA
1222 North Main Street
Kallison Tower, Room 422
San Antonio, Texas 78233
512/224-1618
Cipriano F. Guerra, Jr.
Regional Vice President
Jesse Rios (OMBE Representative)
512/225-5511

San Francisco

Plan of Action for Challenging Times (PACT)
635 Divisadero Street
San Francisco, California 94117
415/922-7150
Everett Brandon, President

Seattle

United Inner City Development Foundation
1106 East Spring St. - Xavier Hall
Seattle, Washington 98122
206/626-5440
Wilson Gulley, Executive Director

Washington, D. C.

Mayor's Economic Development Committee (MEDCO)
1717 Massachusetts Ave., N. W., Room 704
Washington, D. C. 20036
202/667-6480
Michael D. Wallach, Director,
Business Assistance Center
Curley King (OMBE Representative)
202/967-5051

Howard University's Small Business Guidance & Development Center
Post Office Box 553
Washington, D. C. 20001
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Dr. Wilford White, Director

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